

Message Text

PAGE 01 STATE 151659

40

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 SP-02 L-03 NSC-05

TRSE-00 BIB-01 PA-01 PRS-01 USIA-06 /048 R

DRAFTED BY EB/AN:JBMAGNOR:VLV

APPROVED BY EB/AN:WBCOBB

EUR/EE - D.N.MILLER

CAB - R.MILLER

----- 087753

R 270026Z JUN 75

FM SECSTATE WASHDC

TO AMEMBASSY WARSAW

LIMITED OFFICIAL USE STATE 151659

E.O. 11652: N/A

TAGS: EAIR, PL

SUBJECT: CIVAIR - BILATERAL CONSULTATIONS

1. FOUR DAYS OF CORDIAL US-POLAND CIVAIR CONSULTATIONS ENDED WITHOUT AGREEMENT ON JUNE 20. THERE WAS VIRTUALLY NO MOVEMENT FROM INITIAL POSITIONS AFTER THOSE POSITIONS WERE STATED AT FIRST SESSION ON JUNE 17, AND REMAINING SESSIONS WERE DEVOTED LARGELY TO REPEATED REHEARSALS OF NOW FAMILIAR POLISH ARGUMENT THAT LOT IS DISADVANTAGED WITH RESPECT TO PAN AM IN US-POLAND AIR TRANSPORT MARKET. AT VARIOUS TIMES THROUGHOUT TALKS POLISH DEL SUGGESTED THAT IF BALANCE IN MARKET CANNOT BE RESTORED, POLISH AUTHORITIES MAY REQUIRE LOT TO LEAVE MARKET. AT VARIOUS OTHER POINTS POLISH DEL EXPRESSED UNHAPPINESS WITH PAN AM'S PRESENT LEVEL OF SERVICE BETWEEN US AND POLAND AND WHILE NOT EXPLICIT NEVERTHELESS HINTED THAT POLISH AUTHORITIES MAY BE FORCED TO CONSIDER RESTRICTED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 STATE 151659

TIONS ON PAN AM'S OPERATIONS TO WARSAW.

2. POLISH POSITION FOUNDED ON NOT VERY PERSUASIVE PROPOSITION THAT LOT'S US OPERATIONS REPRESENT A NET OUTFLOW

OF HARD CURRENCY FOR POLAND AMOUNTING TO DOLS 3.1 MILLION DURING 1974 AND AN ESTIMATED DOLS 4.8 MILLION DURING 1975. FROM THIS ASSUMPTION POLISH DEL ARGUED THAT IMBALANCE

AGAINST LOT SHOULD BE CORRECTED BY GRANTING LOT AN ADDITIONAL LANDING POINT IN THE US (POLISH DEL WAS NOT SPECIFIC ON THIS POINT), AND BY GRANTING LOT ADDITIONAL FREQUENCIES (PRESUMABLY AT LEVEL EQUAL TO PAN AM'S LEVEL OF OPERATIONS).

3. USDEL STATED AT FIRST SESSION AND REITERATED AT OTHER APPROPRIATE POINTS THROUGHOUT TALKS THAT US WAS UNABLE FOR PRESENT TO CONSIDER THE GRANT OF NEW LANDING RIGHTS IN US TO LOT. CONCERNING OTHER POLISH POINTS, USDEL EMPHASIZED THAT IN ABSENCE FULL IMPLEMENTATION LOT'S OBLIGATIONS UNDER PARA 2 OF THE JULY 19, 1972 NOTE EXCHANGE, USG WOULD BE UNABLE TO CONSIDER POLISH REQUESTS FOR ADDITIONAL FREQUENCIES OR EXTRA SECTIONS. WITH RESPECT TO POLISH ASSERTION THAT LOT WAS DISADVANTAGED BY PRESENT CIVAIR ARRANGEMENTS, USDEL POINTED OUT THAT ON BASIS OF PASSENGERS CARRIED AND REVENUES EARNED, SITUATION WAS QUITE THE OPPOSITE. DURING 1974, LOT OUTCARRIED PAN AM BETWEEN US AND POLAND BY ALMOST TWO TO ONE (LOT CARRIED 32,300 TO PAN AM'S 16,400) AND OUTEARNED PAN AM BY NEARLY DOLS 3 MILLION (LOT REVENUES DURING 1974 ON US-POLAND SERVICE WERE DOLS 8.3 MILLION TO PAN AM'S DOLS 5.2 MILLION). USDEL NOTED THAT POLISH ASSERTION THAT LOT WAS AT DISADVANTAGE APPEARED GROW OUT OF INTERNAL POLISH FINANCIAL SYSTEM AND LOT MANAGEMENT DECISIONS--MATTERS THAT USG COULD NOT PROPERLY CONSIDER.

4. AT LAST SESSION USDEL ATTEMPTED REMOVE IMPASSE BY OFFERING AS INTERIM MEASURE, SUBJECT TO TERMINATION BY EITHER SIDE ON 30 DAYS' NOTICE, AGREEMENT WHEREBY LOT WOULD BE PERMITTED TO OPERATE AN ADDITIONAL FREQUENCY DURING SUMMER 1975 AND WINTER 1975/76 TRAFFIC SEASONS IN EXCHANGE FOR POLISH COMMITMENT TO PERMIT LOT TO SELL PAN AM SERVICES FOR ZLOTYS BETWEEN WARSAW AND CHICAGO ON LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 STATE 151659

WHICH NO MORE THAN ONE STOPOVER IS MADE. POLISH DEL SAID IT COULD NOT ACCEPT THIS CLAIMING THAT CONVERTIBLE CURRENCY OUTFLOW RESULTING FROM PAN AM CONVERSION OF ZLOTYS FROM SALES TO CHICAGO WOULD BE CONSIDERABLY MORE THAN CONVERTIBLE CURRENCY INFLOWS FROM REVENUES OF ADDITIONAL FREQUENCY. CONSULTATIONS ENDED AT THIS POINT.

5. TRANSCRIPT OF CONSULTATIONS PREPARED BY ATA OBSERVER FOLLOWS BY POUCH WHEN AVAILABLE. KISSINGER

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AVIATION AGREEMENTS, MEETING PROCEEDINGS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: SmithRJ
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE151659
Document Source: ADS
Document Unique ID: 00
Drafter: EB/AN:JBMAGNOR:VLV
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750223-0915
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197506102/baaaante.tel
Line Count: 108
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUN 2003 by izenbei0>; APPROVED <21 OCT 2003 by SmithRJ>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> wfs 971106
Subject: n/a
TAGS: EAIR, PL, US, PANAM
To: WARSAW
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006